

**Minutes of the Finance Committee  
Wednesday, September 10, 2003**

Chair Haukohl called the meeting to order at 8:45 a.m. and led the committee in the Pledge of Allegiance.

**Present:** Supervisors Pat Haukohl (Chair), James Behrend, Donald Broesch, Genia Bruce, Joseph Griffin, Joe Marchese and Bonnie Morris. Supervisor Broesch left the meeting at noon. Supervisor Marchese arrived at 1:00 p.m.

**Also Present:** Legislative Policy Advisor Mark Mader, WCFLS Director Tom Hennen, County Clerk Kathy Nickolaus, Business Manager Tom Koth, Inspector Bob Johannik, Supervisor Hank Carlson, Director of Administration Norm Cummings, Senior Financial Analyst Mike Baniel, County Board Chief of Staff Lee Esler, Chairman Jim Dwyer, Senior Financial Analyst Andy Thelke, Director of the Waukesha Public Library Jane Ameel, Brookfield City Clerk Chris Schmidt, Oconomowoc Library Director Ray McKennan, Senior Financial Analyst Steve Krafcheck, Parks Systems Manager Jim Kavemeier, Collections & Business Services Manager Sean Sander, Senior Financial Manager Linda Hein, Enterprise Operations Manager Peter Pulos, Budget Manager Keith Swartz, Budget Specialist Linda Witkowski, Senior Financial Analyst Clara Daniels, Treasurer Pam Reeves, Director of Public Works Rich Bolte, Director of Parks and Land Use Dale Shaver, Information Systems Manager Mike Biagioli and Offices Services Coordinator Windy Jicha

**Public Comments**

Brookfield City Clerk Chris Schmidt said she was there to represent the Brookfield Library and the mayor in regards to library funding. She has served on the ACT 150 Committee. What concerns her is the Best Fit Formula and who borrows books from whom and how many. The formula was set up as a compromise. Taking money from the formula is not a good idea. She said she is asking the committee not to take any additional moneys from towns and cities because they too are suffering.

Director of the Waukesha Public Library Jane Ameel said she was here today representing the library and the City of Waukesha. She said in the last 20 years they have achieved a partnership which resulted in the Best Fit Formula and the ACT 150 Committee. This ordinance removes the work that has been done over the years. To not pay libraries what they are expecting is a hardship to all involved. She wants to keep the partnership going because it wasn't easy to achieve.

Director of the Oconomowoc Ray McKennan said he agrees with his colleagues. This is not an effective freeze. It only effects 23% of the population of Waukesha County.

**Discuss and Consider Ordinance 158-O-061: Suspend Section 11-4, Waukesha County Code of Ordinances Governing Funding for Federated Library System**

Thelke handed out the Waukesha Federated Library System Special Library Levy 1994 – 2003 Budget and Levy Distribution Based on WCFLS Best Fit Formula. He briefly explained the handouts. Thelke then explained the ordinance. This ordinance suspends the County Code formula for determining the county special library tax as it pertains to the 2004 budget. The special library tax applies to those communities that have not been exempted from the tax by providing local library services that meet the county adopted standards and the State of Wisconsin prescribed minimum mill rate.

The tax that is generated by these non-library communities is distributed to Waukesha County Federated System member libraries to fund a portion of the costs for non-library community usage. Under County Code 11-4, the special library levy is based on member libraries current year budget, adjusted for prior year actual expenditures and revenues to arrive at net allowable expenses. These net allowable expenditures are then multiplied by the non-library community ratio of overall circulation. For the 2003 levy (the 2004 budget), the current formula results in a \$225,082 or 8.8% increase to \$2,769,187.

This ordinance suspends the formula for one year, capping the 2003 special library levy increase at 2.6%, approximating the county's 2003 increase in new construction valuation. The 2.6% capped increase will generate

\$66,147 in additional levy for 2004 budget purposes. This is a tax levy reduction of \$158,935 below the amount that would be generated in 2003 for 2004 budget purposes under the county code formula.

Mader said this levy is levied only against those communities that do not have libraries. Haukohl said when the library levy comes out it is individualized on the tax bills because it is community specific. This tax levy is kept separate from the entire county levy.

Hennen said there is a difference in the growth in spending versus growth in usage. Spending for circulation has been stable. Library budgets don't get set until November so he cannot say what is the anticipated level of growth. There's a whole bunch of new libraries that have been built in the last years. This drives costs up and it is also driven up because citizens are demanding additional services. Book circulations are at an all time high. The Internet use has been at an all time high over the last few years so that too drives costs up. He doesn't think the spending will increase an additional six percent in the coming year.

Morris said she appreciates what the libraries are doing for those communities without libraries. If we expect other county departments to stick with budget numbers, how can we not expect the libraries to also stick with the 2.6% increase?

Haukohl said this ordinance does not give all communities a 2.6% increase. The non-library communities are not suffering at all. The library communities are suffering because they won't necessarily get a 2.6% increase. Brookfield will actually get a decrease in funding according to the formulas used here. The non-library communities receive the benefits.

Carlson said this levy focuses on those communities with libraries. The TNR communities are paying a lot less. Those communities without the services aren't paying for the benefit they are using. It is not an equitable ordinance. Those not paying for the libraries are going to reap the benefits of this ordinance.

**MOTION:** Broesch moved, Behrend second to approve Ordinance 158-O-061: Suspend Section 11-4, Waukesha County Code of Ordinances Governing Funding for Federated Library System. **Motion carried:** 5-1 (Haukohl voted no).

**Discuss and Consider Ordinance 158-O-063: Passport Pilot Program in County Clerk's Office**

**MOTION:** Broesch moved, Bruce second to approve Ordinance 158-O-063: Passport Pilot Program in County Clerk's Office.

Nickolaus presented this ordinance. This ordinance would authorize the County Clerk to act as an authorized agent to accept passport applications. The passport application fee is \$85, of which the processing agent retains \$30. The Waukesha County Clerk of Court office discontinued accepting passport applications as of March 2002. Nickolaus said she expects to achieve gross revenue in excess of \$50,000 in 2004, based on processing 1,667 applications (based on Clerk of Court office activity in 2001). The Department of Administration estimates an average of 684 passports, amounting to a gross revenue amount of \$20,050.

Nickolaus said this is a service her office can offer. She has received a certificate to run this program, has all the forms and has checked into the liabilities. Her office won't make decisions on whether a person gets a passport or not. The State Department makes the decision on whether someone gets a passport. The applicant will make out two checks, one for the County Clerk's office and one for the passport. This eliminates the need to issue a check to the State Department for the service. With a tighter budget, she is trying to do more for the budget. It will take five to seven minutes to complete an application and that time will be pure profit. She has had lots of requests from people to get passports through her office and the need for passports has risen in the last few years. There are 54 counties in the state that offer this service with four additional ones working to get into the process. In the future there is talk about needing a passport to travel to Mexico and Canada. This is a good fit for her office since her department looks at the same kinds of documents for marriage licenses and they know what to look for in fraudulent documents. Her office is open Wednesday evenings which is something that is not offered at post offices. Both Nickolaus and the Deputy County Clerk can process passport applications.

Nickolaus said the reason she did this program as a pilot is because she got resistance from the administration. The pilot is a way to prove that the system will work and bring in money. Residents will know it's a pilot program and if it doesn't work it will be discontinued. Her department will not incur overtime for processing passports. It will be made known that people need to come in by a certain time in order to complete passport processing by the close of business. They advertise this for marriage certificates and it works. The revenues from passports will cover 66% of one staff person's salary and benefits.

Director Cummings said he is here today on behalf of County Executive Finley who opposes this service. He said this is not a county core function. In the budget the County Executive is sticking to core functions and services. It is a service that is addressed by the State Department appropriately. The potential revenues are not based on analysis of the current factors and the fiscal note does address this. While presenting her budget to the County Executive, the County Clerk proposed processing passports and other endeavors. The Executive doesn't want to expand services in that department. The County Executive thought there wasn't enough work for the office staff if they have time to process more services. The Clerk of Courts got out of this business in March 2002. The availability of this service has greatly expanded since the Clerk of Courts offered this service. Cummings said Baniel did some investigating and found that other post offices in the area would shortly be adding this service. Their estimates of total passports, listed in the fiscal note, may be overestimated. People can send in passport renewals directly to the State Department. He praised the County Clerk for her willingness to take on more work and investigating this process. It bodes well for her office in the future. We don't need this self-imposed mandate. This passport venture doesn't offer significant rewards to offset the work.

Morris asked if Nickolaus is initiating this process because her office doesn't have enough to keep busy? Nickolaus said it's not that the staff has nothing to do but she wants to do more than what is required.

Bruce said as an elected official, Nickolaus should have some say over what her department does.

**ON THE MOTION: Motion carried: 6-0.**

#### **Budget Authorization for Directory of Public Officials**

Nickolaus said the committee received a letter regarding this issue. She was looking for budget intent not authority to spend the prepaid funds she has collected to print the directories. She said it would be better to use her existing printing budget to cover these costs. The Waukesha County Clerk has done these directories since 1918 except for last year. There is no record in the Reference Bureau in Madison of Sonnentag and Fanfelle as Supervisors.

**MOTION:** Griffin moved, Broesch second, to approve Budget Intent Authorization for Directory of Public Officials. **Motion carried: 6-0.**

#### **Budget Authorization for Quarterly Update Meetings Held by County Clerk**

Nickolaus holds intense quarterly meetings for clerks. At the meetings they go through election information, preparing for the next elections, federal legislation, etc. affecting clerks. The meeting is agendized. At the meeting, there is a prepaid meal available. The county does not ultimately fund this, the individual clerks do. This budget authorization gives the Clerk the authority to pay for the prepaid meals at the cafeteria in the Administration Building.

**MOTION:** Morris moved, Behrend second, to approve Budget Authorization for Quarterly Update Meetings Held by County Clerk. **Motion carried: 6-0.**

Esler said this should come before the board as an ordinance because printing costs and revenues were discontinued from the budget program highlights. Nickolaus said she has an ordinance prepared in order to stick with the procedures. She said because the books are prepaid, it eliminates the need for printing costs. She will put the ordinance through.

#### **Discuss and Consider Ordinance 158-O-060: Accept Reimbursement for Equipment Supporting Sheriff's Department Participation in Federal Anti-Terrorism Task Force**

**MOTION:** Behrend moved, Morris second to approve Ordinance 158-O-060: Accept Reimbursement for Equipment Supporting Sheriff's Department Participation in Federal Anti-Terrorism Task Force. **Motion carried: 6-0.**

**Discuss and Consider Ordinance 158-O-062: Department of Senior Services to Accept Increases in 2003 Allocations for Older Americans Act Services**

Krafcheck presented this ordinance. He said the Department of Senior Services received federal revenues that pass through the State Department of Health and Family Services for Older Americans Act services to provide a variety of programs and assistance to elderly county residents. This ordinance allows the Department of Senior Services to accept and receive additional funding allocations totaling \$11,159 in federal funding under the Older American grants from 2003.

According to department staff, the additional Federal Older American Act funds will provide \$4,265 for additional respite opportunities for approximately six older adults and for ten pill dispensers (small equipment). \$2,888 will be used for postage costs for distribution of informational material and items from the Caregiver Resource Library. \$1,000 will be available for books, publications and demonstration items for the library and \$2,700 will be available for copy costs for Caregiver information. The funds will also include \$500 for Caregiver promotional items such as client reminders and disease prevention. The Federal Older American Act Title III-C funding of \$2,618 will provide \$1,440 for additional home delivered meals (397 meals) and \$1,178 for mileage reimbursement for delivery of meals. This ordinance results in no additional direct tax levy impact.

**MOTION:** Behrend moved, Broesch second to approve Ordinance 158-O-062: Department of Senior Services to Accept Increases in 2003 Allocations for Older Americans Act Services. **Motion carried: 6-0.**

**Discuss and Consider Ordinance 158-O-052: Belchfire Property Acquisition**

Kavemeier presented this ordinance. This ordinance authorizes the purchase of the Belchfire property located in the Village of Lannon at the cost of \$95,231. Upon receipt of any state or federal funds available to this acquisition, those monies shall be accounted for in the Walter J. Tarmann Parkland Acquisition Fund Revenue Account to be utilized for future parkland acquisition.

Kavemeier handed out an information packet on the Belchfire property. He reviewed the packet through a PowerPoint presentation. The property is adjacent to the Menomonee Park and the Bugline Recreation Trail. The purchase protects the primary environmental corridor. The land does not implement the Waukesha County Park and Open Space Plan and is not consistent with the Recommended Land Use Plan for Waukesha County. The property includes 8.94 +/- acres at the cost of \$10,626.40 per acre. The owner expects to consider the difference between his appraisal and the actual purchase price as a donation.

Haukohl asked if this could be held over until the vote needed to approve the ordinance changed from a 2/3 vote to a majority? Kavemeier said the property owners did not want to wait until next year to sell the property. Currently, there is \$2.8 million in the Tarmann Fund. If the county does not buy the property, the owner would try to sell the property to someone else.

**MOTION:** Morris moved, Behrend second to approve Ordinance 158-O-052: Belchfire Property Acquisition as amended by the Land Use Committee. **Motion carried: 6-0.**

**Discuss and Consider Ordinance 158-O-059: Forgive Future Interest Expense on Debt Repayment for Ice Arena Loan Requirements**

Pulos, Shaver and Swartz were present to present this ordinance. Pulos said this ordinance delays the interest expense on the general fund debt for the two ice arenas as previously required by Enrolled Ordinance 142-178 – Allocate Monies for the Construction of the Waukesha County Ice Arena Project and Enrolled Ordinance 149-137 – Appropriate Additional Funds for the Construction of the Naga-Waukee Park Ice Arena Project in order to help maintain paid participation of these county facilities beginning in fiscal year 2004.

Pulos said in 2004, a total of \$38,765 of interest payments is scheduled. The interest expense payment would be delayed until the end of the current loan term at which time the annual interest expense payments will be renewed in the amount per year originally scheduled. This ordinance would help the ice arenas moderate the fee rate

changes, keeping them at a competitive level and continue to avoid any direct taxpayer subsidy in the ice arena operations. Pulos passed out and explained the handout titled Ice Arenas' Debt Service Interest Summary.

Shaver said that by delaying the interest, continuing to market the non-prime hours and capping expenses, they can keep the fee increases at approximately 3% instead of increasing fees 10%. Delaying the interest will work like a reverse amortization to help build a safety net for unexpected expenses. Swartz said the interest repayment schedule will remain at the same level as in the original agreement.

**MOTION:** Griffin moved, Behrend second to Ordinance 158-O-059: Forgive Future Interest Expense on Debt Repayment for Ice Arena Loan Requirements as amended by the Land Use Committee. **Motion carried:** 6-0.

### **County Equalized Property Values**

Director Cummings was present to discuss equalized property values. He passed out a report entitled County Rankings Growth in Equalized Value and discussed it. The equalized value including tax incremental financing districts in budget year 2004 is \$37,450,170,400 which is an increase of \$2,931,725,200 or 8.49%. Waukesha County is ranked twenty-first among counties in percent increase in equalized value according to the Wisconsin Department of Revenue. Waukesha County's equalized value increased 9.2% without the tax incremental financing districts. As tax incremental financing districts dissolve, it helps the county tax base.

Director Cummings said the property values in Waukesha County increased over \$3 billion which is the biggest dollar increase the county has ever had. The 2003 equalized value reduced by TID value for Waukesha County is \$36,910,435,050. The new growth increased 2.6% while on average inflation increased 6.82%.

### **Future Agenda Items**

- Discussion on TIFs and TIF legislation by Norm Cummings
- Update on Materials Recycling by Karen Fiedler

### **County Procedure on Collection of Delinquent Property Taxes vs. Privatization**

Reeves, Sander and Director Cummings were present to discuss this issue. Director Cummings said privatization is not a good deal for Waukesha County. Sander said privatization is the ability of a community to sell delinquent properties for cash to private parties who have the right to sell properties for the interest. The investor earns the right to the interest payments and the foreclosure. We are not mandated to do this. Director Cummings said in Waukesha County, there is no risk because we almost never lose out on property sales. Sander said the county is getting 18% on delinquencies. During certain economic downturns, interest payments can be cheap money. The county tax payers benefit because interest payments are a dollar per dollar tax levy reduction.

Director Cummings reviewed the Treasurer's 2004 budget for delinquent tax-interest and penalties. He said for a windfall today, we would eliminate this from our budget. This is a continuous revenue stream to reduce the budget each year and is not one-time money. Typically what happens in a year when the Treasurer's not doing well collecting delinquent payments, the county makes more money on investments. If we privatize, the county would not have a AAA bond rating.

Reeves said from a policies side, it doesn't make sense to privatize. We hold the certificate for two years and sell the property the third year. In Waukesha County we usually sell the property and make a profit. Selling off the delinquent tax properties could make more work for the Treasurer's office by setting up the sales. Director Cummings said investors do not have to follow any laws regarding vacating properties.

Supervisor Broesch left at the lunch break and did not return. Supervisor Marchese arrived at 1:00 pm after lunch.

### **2<sup>nd</sup> Quarter Status Report on Proprietary Funds**

Sander, Pulos and Hein reviewed the county's various enterprise and internal service funds as outlined in the Proprietary Funds report. Those funds showing a net operating income through the second quarter were: Naga-Waukee Golf Course (\$54,881), Materials Recycling (\$1,132,682), Central Fleet (\$27,186), Radio Services (\$352,418), Records Management (\$122,023), Communications (\$78,900) and Collections (\$159,749). Those funds showing a net operating loss were: Wanaki Golf Course (-\$9,053), Moor Downs Golf Course (-\$54,131), Naga-Waukee Ice Arena (-\$35,609), Eble Park Ice Arena (-\$28,404), Exposition Center (-\$60,390), Airport (-\$59,707),

Vehicle/Equipment Replacement (-\$113,619), Risk Management/Worker's Compensation (-\$203,637) and End User Technology (-\$175,547).

## **2<sup>nd</sup> Quarter Status Report on Collections**

Sander said total six-month collections increased 12.9% from 2002 and 63.1% from 2001. The total amount of collections retained by Waukesha County by the end of the second quarter was \$1,119,734 and the division's expenditures totaled \$244,814. New revenue sources identified and/or implemented by Collections have generated \$568,587 of additional revenues for Waukesha County in the first six months of 2003. Sixty-nine percent of the 2003 County revenue referrals are for bail forfeitures and Health and Human Services private pay billings. Given the nature of the parties that the county attempts to collect from, and the state's ability to pay provision, recovery in these areas is anticipated to be less than 15% of the amount referred.

## **Contract Procurement Process for Construction Management Services for Janesville Road Capital Project #9706**

Evans was present to discuss this process. This contract provides our resident engineer with construction management services for this project. Evans said both interviewed candidates have done projects for the county in the past and have done excellent work.

**MOTION:** Marchese moved, Behrend second, to approve the contract procurement process for Construction Management Services for Janesville Road Capital Project #9706. **Motion carried:** 6-0.

## **Review Capital Projects for which the Finance Committee has Oversight (Items 43-56)**

Cummings, Sander and Biagioli were present to discuss these projects.

Item 43 Computerized Maintenance System – This project will be covered in Public Works.

Item 44 Tax Records Replacement – This project is going as planned. They are finalizing the contract for the tax package through Easy Access in Texas. Because the package needs to be customized and additional time is needed for customization, finalization and costs of the project may be stretched out between 2004 and 2005. Director Cummings said we have to enter into this project because we can no longer support our current system. The benefits of this project will come from the automation and accuracy of the final product.

Item 45 Justice System Redevelopment – The county was notified in May 2003 that the state could not support the IJIS system according to the current schedule. The additional dollars are required to offset the costs associated with offsetting the state costs for implementing the DA/Protect system and costs for implementing the Law Records Management system (Spillman) for the Sheriff's Department.

Item 46 Mobile Data Infrastructure Upgrade – This project has a scope change and dollar update. Last year this was a placeholder and could have potentially higher costs integrating several systems. This was set up as a replacement but technology has changed and improved and upgrade is needed. The upgrade is intended to provide a new and more reliable system which retains existing features and functionality. The replacement system is planned to provide dramatic improvement in data speed, which will facilitate the ability of users to upgrade subscriber software to access the new Central Dispatch Center's Computer Aided Dispatch and Records Management System features.

Item 47 Implementation of HHS Automated System - This project has been amended for fiscal 2004 to reflect the additional contract services requirements to facilitate an interface of SACWIS into the Avatar and PeopleLink packages at a cost of approximately \$200,000. The county plans on developing an interface module which will automate the transmittal of the SACWIS data from the PeopleLink and Avatar Case Management software packages to the state for child welfare reporting, in accordance with the data and business requirements defined by the state for the SACWIS system. Points of entry for the data elements will be defined and transmitted to the state in the selected transmittal environment. The estimated cost for this solution, which will include the transmittal environment, data analysis and consulting services to inter face the systems, is \$200,00.

Item 48 Electronic Document Management System – This project is as planned.

Item 49 Upgrade Collections (CUBS) System – This project is as planned. This project will replace the collections software. It will be completed in 2004.

Item 50 Upgrade Office Suite from Windows 2000 – This project is delayed until 2005 because the county wants to wait on any action in this area until the state has finalized its future direction on this product. The county interfaces frequently with the state and will need to be on a compatible system. There will be significant savings if the county purchases the same system as the state.

Item 51 Oracle Infrastructure Upgrade – This capital project is a result of the battle between Oracle and Microsoft. The county is using Oracle Forms 6.0 that is no longer supported by Oracle. The county must migrate their existing Oracle Power Unit licenses to the Process-based license formula and purchase the additional licenses at the same time. This migration will cause maintenance costs to be reduced.

Item 52 Citrix Server Development – CITRIX has dramatically freed up resources in Information Systems in Waukesha County. This project will expand the production use of the CITRIX server environment to include a majority of applications that are currently supported by desktop PC infrastructure. The implementation of the CITRIX server environment should result in a net savings to the End User Technology Fund of \$75,000 starting in 2006.

Item 53 Fiber for County Recoverability Link - This is the completion of Phase I fiber which links the Courthouse complex with the Expo, Huber, Highway Garage, Communications Center and the Radio Service Tower in cooperation with the City of Waukesha and the Waukesha School District. This will also protect the system in case of terrorist attacks. This capital plan will install a duplicate Storage Area Network (SAN) environment at the Dispatch Center's computer room. The second SAN will allow the county to "mirror" the storage environment from the computer room to this second device. Phase II connects the Courthouse Complex with the facilities on Davidson Road and phase III connects Waukesha County with the DOT highway cameras with shared costs from the State of Wisconsin.

Item 54 Telecommunications System – The county put together a contract with SBC that has resulted in significant reduction in fixed line changes and per call charges. This contract needs to be renegotiated at regular intervals and does not allow the county to take advantage of evolving technologies.

Item 55 HIPAA Security – An initial analysis of the published regulations indicate that there are enough significant security related enhancements required for the county's network and the associated databases for a capital plan.

Item 56 County-wide Cashiering – This project will provide the county with an Enterprise-wide (county-wide) cashiering solution which would support all county departments that currently or in the future employ a cashiering function.

**MOTION:** Behrend moved, Morris second, to approve Capital Projects for which the Finance Committee has Oversight (Items 43-56). **Motion carried:** 6-0.

### **Approve Minutes of August 20, 2003**

**MOTION:** Griffin moved, Morris second to approve the meeting minutes of August 20, 2003 with one change.

**Motion carried:** 6-0.

### **Executive Committee Report**

Haukohl advised of the following issues discussed at the last Executive Committee meeting.

- Late tax appeals
- Ordinance 158-O-061: Suspend Section 11-4, Waukesha County Code of Ordinances Governing Funding for Federated Library System
- Capital Projects Plans relative to Information Systems, Parks and Land Use, Department of Public Works Transportation Projects

### **Schedule Next Meeting Dates**

- October 1 – all day

**Announcements**

Griffin said we're basing our budget in 2004 on the thought that the economy won't be any better. If the budget recovers will we regret cutting something to our constituents if the budget rebounds?

**Motion to Adjourn**

**MOTION:** Behrend moved, Griffin second, to adjourn the meeting. **Motion carried: 6-0.** Meeting adjourned at 3:37 p.m.

Respectfully submitted,

Joseph F. Griffin  
Secretary